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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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## SUPREME COURT OF WASHINGTON CONSIDERS GROWERS' CONTRACT

In the case of Pierce County Dairymen's Association v. Templin, recently decided by the Supreme Court of Washington, 215 Pac., 352, it appeared that the association brought suit against the defendant on its contract with him, seeking an injunction to restrain him from selling or marketing his milk outside the association, he being under contract with the association to sell and market his milk through it as his exclusive agent. The trial court enjoined the defendant and he appealed to the Supreme Court of the State. The defendant in the Supreme Court advanced a number of reasons why the contract should be held unenforceable as against him. He contended that inasmuch as the association at the time of making the contract did not have three-fourths of its capital stock subscribed for, and did not have one-fourth of its capital stock paid in, that it commenced business before it was authorized to do so under the statutes of Washington, and on this account he claimed that the contract could not be enforced against him. In this connection he relied upon the following statutory provision:

No cooperative association organized under the provisions of this act shall be permitted to do business until three-fourths of the capital stock shall have been subscribed for and one-fourth of the capital stock of said association shall have been paid into said association.

The court indicated that the facts showed that the association had not complied with the statutory provision above quoted at the time it commenced business. However, the court said that this was a question which the defendant could not now raise inasmuch as he had operated under the contract for 14 months without in any way challenging its validity because of want of power on the part of the association to enter into it. The court in this connection also called attention to the fact that the evidence indicated that the statutory provision above referred to had been complied with by the association prior to the time that the defendant ceased to deliver milk to it.

The defendant also claimed that he could not be enjoined from marketing his milk outside the association inasmuch as the contract contained a liquidated damage clause. The court held that although the contract provided for liquidated damages this did not bar the

association from seeking injunctive relief. It may be said that this holding is consistent with the general if not the universal rule on this subject.

It was also urged by the defendant that the contract was unenforceable because of its tendency to create a monopoly in restraint of trade. The court in answer to this contention said that looking at the provisions of the charter of the association, its by-laws, and the contract in question, it was of the opinion that the contract did not have the tendency claimed for it. The court also said that inasmuch as the corporation was formed as a cooperative association under statutory authority, it would require strong convincing considerations to call for the holding that the contract was so monopolistic in its character as to require that it be held invalid for that reason.

A portion of the decree of the lower court from which the appeal was taken read as follows:

From selling or disposing of any of the milk, or milk products, of the cows owned or controlled by him or them, on land in Pierce or adjoining counties, to, or through, any person, firm or corporation other than the plaintiff herein.

The court with special reference to the underscored words, said that the defendant was thereby restrained from marketing milk outside the association which he might produce outside of Pierce County. The court said that the portion of the decree which had this effect was manifestly erroneous inasmuch as the contract required the defendant only to deliver milk produced by him in Pierce County, and was silent with respect to milk produced outside of that county. The decree of the lower court was in this respect ordered modified.

L. S. Hulbert.

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#### GUARANTEE TO AUSTRALIAN WHEAT POOLS CONTINUED

A letter from the Lindley-Walker Cooperative Wheat Co., Ltd., of Sydney, Australia, under date of July 24, advises that the Australian Government has agreed to guarantee the voluntary wheat pools of the Commonwealth for the present season. The Australian banks, through the Commonwealth Bank, will make advances of three shillings per bushel to growers, upon delivery of their wheat, and this amount will be guaranteed by the Federal Government.

It is reported that crop conditions have been much improved by general rains which began June 1. However, there will be no increase, and possibly there will be a decrease, in the acreage under wheat because many growers have been unable to seed the acreage they expected on account of the wet weather prevailing since the first of June. The growers who seeded before the rains have excellent prospects.

A HANDBOOK FOR DARK TOBACCO GROWERS.

"An Outline of Cooperative Marketing" is the title of a handbook recently issued by the Dark Tobacco Growers' Cooperative Association, Hopkinsville, Ky. Among the topics treated are, "What We Organized For," "What the Association has Accomplished," "Suggested Guide for Speakers," "Skilled Management Imperative," "Subsidiary Warehouse Organizations," and "Landlord Control." A list of government bulletins bearing upon cooperative marketing and tobacco growing is given.

The hand book also contains a brief historical statement relative to the organization of the association, statements regarding the marketing agreement and the by-laws and data relative to the marketing of the 1922-23 tobacco crop.

According to the information given the original sign-up campaign for members was conducted during the late summer and fall of 1922. The signatures to the marketing agreement of over 35,000 growers were obtained at a cost of \$42,000. The first meeting of the board of directors, at which time the board was organized, was held at Hopkinsville, Ky., November 22, 1922; the first of the 108 receiving stations operated the past season was opened January 8, 1923. A total of 175,000,000 lbs. of tobacco was received during the season. This tobacco was handled at a cost for executive management of \$300,000 - 17¢ per cwt. The estimated increase in price resulting from the activities of the association is placed at 5¢ a pound or over \$8,500,000 for the tobacco handled. The total interest charges to June 1 are given as 2.3¢ per cwt. of tobacco. The number of members who failed to live up to the letter of the marketing agreement is placed at one-tenth of one per cent.

The warehouses, prizing plants and receiving stations used by the association are owned by ten subsidiary corporations created with capital stock and with power to issue serial income bonds. Not more than three-fifths of a cent a pound is deducted from the returns for all tobacco sold and the amount used to retire the preferred securities, which are to be retired at the rate of one-fifth each year. Growers are given shares of capital stock to cover the deductions. This stock bears 8% interest. It is expected that at the end of the fifth year the 100 and more plants will be free from debt and will be a source of income for the growers. The membership July 1, 1923, is given as 61,000.

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"UNCLE REMUS" AND "PICKANINNY" TRADE NAMES FOR PEANUTS.

"Uncle Remus" peanuts are soon to be put on sale in competition with "Pickaninny" peanuts. Both trade names have been adopted for use in merchandising raw shelled peanuts in one-pound cartons. The "Uncle Remus" trade name will be used on the peanuts marketed by the Georgia Peanut Growers Co-operative Association, Albany, Ga., and the "Pickaninny" brand was put on the market early in 1923 by the Peanut Growers Exchange, Norfolk, Va., a producer owned and controlled cooperative marketing organization.



FARMERS' LIVE STOCK SALES AGENCY REORGANIZED AT SIOUX CITY.

Farmers Union and Producers Commission is the name of the farmer owned and controlled selling agency operating on the live stock market at Sioux City, Iowa. Business has but just begun under the new name which represents a consolidation of the interests of the Nebraska division of the Farmers Educational and Cooperative Union of America and the National Live Stock Producers Association. The Farm Union has been represented on the Sioux City market since August 1, 1918, when the Farmers' Union Live Stock Commission began business. During the five years 1918 to 1922 over \$58,000 has been refunded to shippers of live stock. The percentage of commissions refunded for each of the five years and the amounts of the refunds for the several years are as follows:

1918 .....	none .....	none
1919 .....	16% .....	\$ 2,955
1920 .....	30% .....	8,468
1921 .....	40% .....	19,090
1922 .....	45% .....	29,337

During the first six months of 1923 the savings available for refund amounted to over \$33,000.

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MILK SOLD BY PRODUCERS IN SEVEN DISTRICTS.

Total sales of milk by the members of the Dairymen's Cooperative Sales Co., Youngstown, Ohio, amounted to over \$830,400 for June. The milk receipts amounted to 35,721,189 pounds. Fifty-seven per cent of the total milk was of class II grade and 37% of class I grade. The members of this price bargaining organization are located in western Pennsylvania, northern West Virginia and eastern Ohio. They serve fifty-odd dealers located in the seven districts into which the consuming area is divided. Among the larger cities in the area supplied are Pittsburgh, Wheeling, Youngstown, Ashtabula, Warren and East Liverpool. The membership of the organization was 11,315 on July 1, 1923.

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LOCAL MEN TO BE EMPLOYED FOR MEMBERSHIP CAMPAIGNS.

A new plan for conducting membership campaigns has been announced by the Arkansas Cotton Growers Cooperative Association. The cotton growing sections of the state have been divided into ten districts and a man placed in charge of each with authority to employ local men as field workers. It is believed that in this way the ground will be more thoroughly covered and the expense of moving workers from district to district will be avoided.

FARMERS' GRAIN MARKETING ASSOCIATIONS.

There are no less than thirty large farmer owned or farmer controlled grain marketing associations in existence at the present time. Some of these organizations are pools organized upon a state-wide basis, others are selling agencies serving individual grain growers or federations of local elevators, while still others are selling agencies operating in terminal markets.

Data have been supplied by many of the associations relative to the date of organization, number of members (summer, 1923) and number of bushels of grain handled of the 1922-crop.

The several associations listed below have been arranged into four groups, i. e. (1) those affiliated with the American Wheat Growers' Associated, Inc., (2) those affiliated with the Southwest Wheat Growers' Associated, (3) those operating as independent organizations, and (4) those functioning as selling agencies on terminal grain markets.

The first two groups include the state associations with binding contracts providing for the pooling of grain according to variety and grade. The third group includes organizations serving as a selling agency for growers or local elevators and the fourth group consists of associations with operating offices upon one or more of the terminal grain markets.

State associations affiliated with the American Wheat Growers Associated, Inc.\* Minneapolis, Minn., August 1, 1923.

Association	Date Organized	Number Members	Bu. Grain 1922 crop
Colorado Wheat Growers' Assn. Haxtum, Colo.	: 1921	: 1,800	:
	: Sept.	:	:
Idaho Wheat Growers' Assn. American Falls, Idaho.	: 1920	: 3,296	:
(Receiver appointed Apr. 24, 1923):	:	:	:
Minnesota Wheat Growers' Coop. Mktg. Assn. Thief River Falls, Minn.	:	:	:
	:	:	:
Montana Wheat Growers' Assn. Lewistown, Mont.	: 1921	: 6,500	:

\*American Wheat Growers Associated, Inc., was organized in December of 1922 and on August 1, 1923, supplanted the Northwest Wheat Growers Associated, Portland, Ore., and Minneapolis, Minn., which had been the selling agency for the state associations for Oregon, Washington, Idaho, Montana and North Dakota. The new corporation besides taking over the business of the Northwest also became the exclusive sales agency for the associations recently organized in Colorado, Nebraska, South Dakota and Minnesota.

Association (Continued)	Date	Number	Bu. Grain
	Organized	Members	1922 crop
Nebraska Wheat Growers' Assn. Hastings, Nebr.	April 1922	1,100	400,000
North Dakota Wheat Growers' Assn. Grand Forks, N. Dak.	May 1922	9,230	
Oregon Cooperative Grain Growers' Assn. Portland, Ore.	1921	3,170	
South Dakota Wheat Growers' Assn., Inc. Aberdeen, S. Dak.		1,183	
Washington Wheat Growers' Assn. Spokane, Wash.	1920	2,980	

State associations affiliated with Southwest Wheat Growers  
Associated, Enid, Okla.:

Association	Date	Number	Bu. Grain
	Organized	Members	1922 crop
Oklahoma Wheat Growers' Assn. Enid, Okla.	June 1922	8,310	2,961,074
Texas Wheat Growers' Assn. Amarillo, Texas.		2,000	218,520

State associations operating independently:

Association	Date	Number	Bu. Grain
	Organized	Members	1922 crop
Arizona Grain Growers Phoenix, Ariz.	July 1922	227	
California Farm Bureau Exchange San Francisco, Calif.	July 1922		
Kansas Wheat Growers' Assn. Wichita, Kans.		3,400	
Michigan Elevator Exchange Lansing, Mich.	June 1920	93 elevators	2,799,000
Montana Grain Growers Helena, Mont. (22 elevators. Receiver appointed 1921)	1913		none
Ohio Farm Bureau Service Co. Grain Dept., Columbus, Ohio.	July 1923		



## Selling agencies in terminal markets:

Association	Date	Number	Bu. Grain
	Organized:	Members:	1922 crop
American Wheat Growers Associated, Inc. Minneapolis, Minn. (Began functioning Aug. 1, 1923, taking over Northwest Wheat Growers Associated)	Dec. 1922	9 state: assns.	none
Northwest Wheat Growers Associated Portland, Ore. Minneapolis, Minn. (Selling agency for Wash., Ore., Idaho, Mont., and N. Dak. state associa- tions. Supplanted Aug. 1, 1923, by American Wheat Growers Associated, Inc.)	1922	5 state: assns.	16,000,000
Southwest Wheat Growers Associated Enid, Okla. (Selling agency for Oklahoma and Texas state associations)	1922	2 state: assns.	3,179,594
U. S. Grain Growers Inc., Chicago, Ill.	April 1921		none
Equity Cooperative Exchange St. Paul, Minn. (In hands of Receiver)	1908	1000*	
Farmers Union Jobbing Assn. Kansas City, Mo.	May 1914		3,429,780
Equity Union Grain Company, Kansas City, Mo.	1916	50	4,500,000
U.S. Grain Growers Sales Co. of Minneapolis Minneapolis, Minn.	Oct. 1922	7*	
Farmers Union Cooperative Wheat Mktg. Assn. Kansas City, Mo.	Feb. 1923	700	none
National Cooperative Company Omaha, Nebr.	Aug. 1923		
Farmers Terminal Elevator Company Sioux City, Iowa. (In hands of receiver)			
Farmers Elevators Commission Company Minneapolis, Minn.			
Farmers Cooperative Commission Company Hutchinson, Kans.			

\*Estimated

WHEAT SELLING AGENCY EVOLVED FROM SMALL BEGINNING

During the year ending July 31, 1923, the Northwest Wheat Growers Associated, Portland, Ore., handled approximately ten millions bushels of grain on the Minneapolis and Duluth markets and approximately six million bushels through the Portland and Seattle terminals.

This association represents a step in the evolution of collective grain marketing by the wheat farmers of the Northwestern States. In the summer of 1920 a group of Washington farmers joined together and formed a wheat pool which became the Washington Wheat Growers Association. Working capital was obtained upon warehouse receipts. The success of this movement caused the wheat growers of Oregon, Montana, Idaho and North Dakota to form similar associations and the five associations in the fall of 1921 created the Northwest Wheat Growers Associated to function as an unincorporated selling agent for the state associations. The agreement between the state associations establishing the central selling agency made provision for the American Wheat Growers Associated, which was to be a federation of zone or regional selling agencies similar to the Northwestern.

The Northwest Wheat Growers Associated sold grain from the 1921 crop valued at more than \$15,000,000. The sales measured in dollars were for the several state associations as follows: Washington and North Idaho, \$8,200,000; Oregon, \$4,600,000; Montana, \$1,400,000; South Idaho, \$1,200,000.

A much larger quantity of grain of the 1922 crop than of the 1921 was turned over to the organization for marketing and large sales were made in the markets at Minneapolis and Duluth as indicated above. Other state associations were formed, also the proposed American Wheat Growers Associated, Inc., which on August 1 of this year replaced the Northwest Wheat Growers Associated. The new association is the exclusive selling agency for the following associations formed on a state-wide wheat-pooling basis; Colorado Wheat Growers' Association, Idaho Wheat Growers Association, Minnesota Wheat Growers' Cooperative Marketing Association, Montana Wheat Growers Association, Nebraska Wheat Growers Association, North Dakota Wheat Growers' Association, Oregon Co-operative Grain Growers, South Dakota Wheat Growers Association, and Washington Wheat Growers Association. The new organization with headquarters in Minneapolis, will operate from eight sales offices, seven in the United States and one in London. Particular attention is being given to orders from millers.

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CONNECTICUT POULTRY PRODUCERS ORGANIZE TO MARKET EGGS.

Twenty-five poultrymen with 8,000 birds signed a marketing agreement and formed the Western Connecticut Poultry Producers, Inc., on July 9. Eggs are to be assembled in Waterbury, graded, candled and packed in cartons and offered for sale under the trade name, "Abuv all Eggs." Arrangements have been made with a local dealer to attend to the actual selling.

LOCAL ELEVATOR REPORTS INCREASE IN BUSINESS.

The number of bushels of grain handled by the Farmers Elevator Company of Danforth, Ill., for the past ten years is an illustration of what can be done by a farmers elevator at a country point. During the period the number of bushels handled annually increased from 400,000 to 700,000. The total number of bushels for the ten-year period was 5,421,882. More than half of the total was corn and the rest was oats.

Below are given the figures by years:

1913 .....	419,079
1914 .....	523,576
1915 .....	654,142
1916 .....	426,837
1917 .....	644,197
1918 .....	602,474
1919 .....	401,441
1920 .....	590,412
1921 .....	652,821
1922 .....	706,903

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AN OHIO CONSUMER LEARNS VALUE OF A TRADE NAME

"By prepaid express we are shipping to you with our compliments a 35-lb. Irish Grey melon which we trust will be of good quality . . . ." is the significant part of a reply recently sent by J. J. Parish, Secretary of the Southwest Georgia Watermelon Growers' Association, Adel, Ga., to a letter from an Ohio consumer complaining that two melons with the Sowega label had proved unsatisfactory. In the same letter Mr. Parrish explained in detail the efforts being made to insure only high-grade melons being shipped under the association brand. Among other things he said, "It was not, nor will it ever be, our purpose to load and offer for sale any melon known to be of poor quality . . . We employ disinterested and experienced watermelon inspectors who stand in the door of the cars catching and handling practically every melon loaded, examining it for defects or damage and weighing with specially constructed scales at least ten per cent of the melons loaded. . . ."

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CONTRACT BETWEEN TWO POTATO EXCHANGES.

A contract has recently been made between the Maine Potato Growers' Exchange, Caribou, Me., and the Virginia Farm Bureau Federation, whereby the Maine association agrees to sell direct to Virginia growers 50,000 bushels of certified seed potatoes backed by the guarantee and trade mark of the Maine Exchange.



COUNTY POOLS PROPOSED FOR MARKETING CALIFORNIA GRAIN.

Grain Sales approximating \$4,000,000 were made by the grain department of the California Farm Bureau Exchange, San Francisco, Calif., following the commencement of operations under a reorganized plan effective July 1, 1922. The grain came largely from 18 counties.

As now organized the Exchange is a non-stock, non-profit organization made up of representatives selected by County Farm Bureau Exchanges. A "Prospectus of Cooperative Plan for 1923 Grain Crop" states that efforts are to be made to obtain the signatures of the five thousand grain growers in the state to a contract running for five years and providing for seasonal county grain pools by variety and grade.

According to the prospectus grain growers are to be organized into County Farm Bureau Exchanges, managed by boards of nine directors each. Growers are to deliver their grain to the local warehouses or railway freight houses and endorse the warehouse receipts or bills of lading to the county exchange, which is to forward them to the State Exchange with a sample of the grain. The State Exchange there upon is to issue a certificate of deposit showing grade. It is proposed to advance 60% of the approximate market value of the grain delivered and to make a final settlement when the last of the grain in any pool is sold by the State Exchange. The grain of each county is to be in separate pools.

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A NEW BIBLIOGRAPHY OF COOPERATION.

"Agricultural Cooperation, A selected and Annotated Reading List" is the title of Miscellaneous Circular No. 11 just issued by the United States Department of Agriculture. The titles of over two hundred books, bulletins, pamphlets and circulars bearing more or less directly upon cooperation are given. In each case there is a brief statement regarding the author and another regarding the scope of the publication. Copies of this bibliography may be had upon request to, Department of Agriculture, Washington, D. C.

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LIVE-STOCK SHIPPERS PROMISED A PATRONAGE DIVIDEND

About 40% of the commission charges made by the Farmers Union Live Stock Commission, Kansas City, Mo., for the first six months of 1923 are to be refunded to the shippers of live stock as a patronage dividend. This terminal selling agency refunded in 1922 20% of its commissions after paying 8% on its outstanding capital stock and placing 10% in its reserve fund for the protection of the business.



NEW YORK MAPLE PRODUCERS COOPERATING.

The 1923 sirup pool of the Maple Producers Cooperative Association, Inc., Syracuse, New York, consists of 51,155.8 gallons. Thirty-eight per cent of the sirup was graded No. 1, 31% No. 2 and 31% No. 3. Two-thirds of the sirup has been sold. All of the No. 3 grade and about one-half of the No. 2 is being converted into fifty-pound cakes and packed in wooden boxes. The remainder of the No. 2 grade is being put into 72,000 pint bottles for delivery between September 15 and December 1. The No. 1 grade is being marketed in bulk, in glass and tin containers, as confectionery sugar and in cakes weighing two ounces, one-half pound and one pound. The two-ounce cakes are wrapped in tin foil and offered to the trade under the association's trade mark, "Frost Elf."

The sirup is being handled from the Association's processing plant at Syracuse, which is equipped with the machinery necessary for bottling sirup and making sugar. The equipment is the property of the producers and the equity of each is evidenced by a certificate of indebtedness covering the deductions made from the returns due members and used to establish the processing plant. These certificates will mature in five years, bear interest and are transferable.

Two hundred ten members of the association withdrew during the period for withdrawing, June 1 to June 15. Many of these did not tap their trees in 1923; some had sold their groves; other produced sirup and delivered to the Association. A few breached their marketing contracts and are to be given attention by an attorney.

A second payment of 10% has been made upon the outstanding trade acceptances issued in connection with the 1922 pool, and the acceptances are being renewed. Operating expenses have been reduced to but a fraction of what they were in 1922.

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MICHIGAN POTATO GROWERS' CONSIDERING REORGANIZING THEIR EXCHANGE.

At its annual meeting August 15 and 16 the Michigan Potato Growers' Exchange, Cadillac, Mich., passed a resolution outlining a new policy. The basic principles as given by the resolution are: (1) an acreage minimum; (2) an iron-clad binding contract; (3) a state-wide season pool; (4) organization under a long term contract. The proposed program is to be laid before the membership for consideration.

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ANOTHER RICE GROWERS' MARKETING ASSOCIATION FORMED.

With more than 60% of the rice grown in the Mississippi river section under contract the Farm Bureau River Rice Growers' Association with headquarters at Baton Rouge was organized early in August. The Baton Rouge rice mill has been leased and is now operating day and night. The rice is to be handled in three pools.

OHIO FARMERS PURCHASING FEEDER CATTLE COOPERATIVELY

Details for the cooperative purchase in a large way of feeder cattle are being worked out by the Ohio Live Stock Shippers' Association, Columbus, Ohio. An expert cattle buyer has been sent to Denver, Colo., to select, purchase and ship in car-load lots cattle ordered by Ohio farmers through their local shipping associations or county farm bureaus. A revolving fund has been provided and deposited in a Denver bank. As cattle are shipped drafts will be drawn upon the farmers placing orders. A charge of 25¢ per cwt. will be added to the cost of the animals to cover the expense of purchasing. It is proposed to divide with the ranchman the 75¢ to \$1 that it costs him to market cattle in the open market. Cattle will be shipped direct from the ranch to Ohio farms, thus avoiding many of the expenses incurred when cattle are sold through a terminal live-stock market. Furthermore it is believed that the freight for the one direct shipment will be less than the sum of the two freight charges under prevailing practices - one to the central market and the other to the Ohio farmer. Provision is to be made for the insurance of the animals.

Ohio farmers have already had experience in the collective buying of cattle on the range. Two years ago 40 carloads of calves, yearlings and two-year olds were purchased for the farmers of Madison and Fayette counties and last year 114 loads were purchased for the farmers of 37 counties.

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EDUCATIONAL WORK BY ARKANSAS COTTON ASSOCIATION.

Three cotton classing schools were conducted during the past summer by the Arkansas Cotton Growers Cooperative Association, Little Rock, Ark. Each school continued two weeks. The daily program consisted of instruction in cotton classing and a talk by the head of one of the departments of the association in which the various functions of the association were described in detail. There were also addresses by men outside the association. These discussed such subjects as safe farming, financing the cotton crop, concentration of cotton for shipment, etc. There was a total enrollment of 58 for the three schools. The students were mostly farmers, although a few who might be classed as business men took the courses.

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DATA REGARDING CROP LIENS IN EASTERN NORTH CAROLINA.

Crop liens in seventeen eastern counties in North Carolina have dropped from 25,456 in 1922 to 20,675 in 1923 according to data collected from the county seats and released by the Tobacco Growers Cooperative Association, Raleigh, N.C. This decrease of over 18% is ascribed by the officers of the Tobacco Association to the fact that both the tobacco and cotton crops for 1922 were handled by farmer-owned and farmer-controlled cooperative marketing associations.

PHOTOGRAPH OF LEDGER ACCOUNT MAILED MEMBERS.

As final statements for the handling of the 1922 crop, members of the Oklahoma Cotton Growers Association, Oklahoma City, Okla., were sent photostat copies of their ledger accounts. In this way the grower was put in possession of a complete history of the marketing of the cotton delivered by him. The account shows the weight of every bale of cotton delivered, the pool it was placed in, the price for the cotton in that pool, the amount of the charges against the bale, the amount of the original advance, the amount of each payment including the final payment by which the account was closed. As the various enteries are made by typewriters the verifying of the bookkeeping is a simple matter. Furthermore the psychological effect on the grower is about equal to that of "seeing the books," turning the pages and looking at his own account.

The copies are made six at a time, 70 exposures an hour. This means that final statements are prepared at the rate of 420 an hour, and at an expense of only a few cents each. As no errors are made in copying the cost is but a fraction of what it otherwise might be.

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SEVEN ASSOCIATIONS COOPERATE IN BUYING DAIRY FEEDS.

Seven farmer owned and controlled purchasing agencies are cooperating in the purchase of feeds for dairy cows. The organizations are, Eastern States Farmers' Exchange, Springfield, Mass.; Cooperative Grange-League Federation, Syracuse, N.Y.; Pennsylvania Farmers' Cooperative Federation, Philadelphia, Pa.; Agricultural Corporation of Maryland, Baltimore, Md.; Ohio Farm Bureau Service Company, Columbus, Ohio; Federated Marketing Service, Indianapolis, Ind.; Michigan Farm Bureau, Lansing, Mich.

Four formulas for compounding feed ingredients have been approved and feeds are being manufactured according to these. A drive for orders is now being conducted among dairymen by each of the purchasing organizations. These orders are to be filled during the fall and winter months. The plan of distribution adopted calls for payment at the car door.

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A BULLETIN OF INTEREST TO LIVE-STOCK SHIPPERS.

Department Bulletin No. 1150, entitled, "Accounting Records and Business Methods for Live-Stock Shipping Associations" was issued under date of August 8, 1923. This bulletin discusses the forms needed by live-stock shipping associations, the need for permanent records and standard marketing methods. The last few pages of the bulletin are given over to illustrative transactions. Copies may be obtained from Department of Agriculture, Washington, D. C.



TEXAS COTTON GROWERS BORROWED TEN MILLIONS.

Net operating expense for the Texas Farm Bureau Cotton Association in connection with the handling of the 1922 crop amounted to \$3.59 a bale. This was an increase of 43.163 cents a bale over the cost of handling the 1921 crop. This increase is at least partially due to the fact that but 77,706 bales were handled of the 1922 crop, while 93,802 bales of the 1921 crop were marketed through the association.

The total expenses for the 1922 crop are given in the annual statement for the year ending June 30 as \$773,535, as against \$1,057,841 for the preceeding year. The larger items in the 1922 list of expenses are salaries, \$211,270; freight, \$115,256; weighing, yardage and storage, \$104,805; interest, \$77,792; high density compressing, \$51,587; hedging, \$35,500; insurance, \$31,955.

Members were paid a total of \$10,948,526. Money was borrowed and repaid to the amount of \$10,130,000. Cotton sales for the 1922 crop amounted to \$11,311,000 as against \$7,750,383 for the preceding year. The association closed the business year with over \$23,800 cash on hand or on deposit.

The expense of operating the various departments is indicated by the following figures: executive, \$19,112; directors, \$16,761; finance, \$9,257; sales, \$18,038; Houston office, \$12,935; field service, \$25,343; office and classing \$118,446; professional, \$14,943; general, including depreciation on equipment, amortization of deferred charges, insurance, injunctions, bonds, local taxes, etc., \$56,869.

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SWEET POTATO ASSOCIATION ORGANIZING IN MARYLAND.

An organization committee is now arranging for the formation of the Anne Arundel Farm Bureau Truckers' Association, (Cooperative) Baltimore, Md. The association is to be a non-stock, non-profit organization for the marketing of sweet potatoes or other truck crops. Its marketing agreement provides for the sale on the part of members and the purchase on the part of the association of the sweet potatoes produced or acquired by the members during the years 1924, 1925, 1926, 1927 and 1928. The agreement further provides that "if, on or before June 1, 1924, signatures of sweet potato growers covering at least 50% of the 1922 production" for the county "shall not have been secured" the organization committee shall notify every subscriber and cancel his agreement. However, if the signatures of the growers shall be secured by August 15, 1923, then the agreement becomes effective for the 1923 crop.



KENTUCKY FARMERS ORGANIZE A SUPPLY COMPANY.

Articles of incorporation for the Farmers Union Supply Company of Kentucky, Lexington, Ky., were filed July 26, 1923. The purpose of the company is to organize and conduct a general mercantile business through a chain of warehouses and stores.

The territory to be covered by the company has been divided into five districts in each of which is to be a warehouse for supplying cooperative stores. These warehouses are to be located at Maysville, Covington, Louisville, Lexington and Bowling Green.

It is now announced that the Maysville warehouse is ready for business. The first floor of the warehouse is arranged for the conduct of retail business and the second and third floors for the storage and distribution of supplies. The warehouses will be in charge of district managers who will act as jobbers and distributing agents for the various Farmers Union Cooperative purchasing enterprises.

The company starts with an authorized capital stock of \$100,000, divided into 8,000 shares of common stock and 2,000 shares of preferred stock, both with a par value of \$10. The articles of incorporation provide for 8% cumulative dividends for the preferred stock. One-half of one per cent of the gross sales is to be credited to the Kentucky Division of the Farmers' Educational and Cooperative Union of America to be used for educational work and for the promotion of "its managerial development and general welfare." Net profits are to be distributed among members and non-members as patronage dividends, the dividends to be applied toward shares of stock until each member holds a minimum of five shares.

An interesting provision of the articles of incorporation is one which provides that "the president and general manager shall own 100 shares and the district manager from 50 to 100 shares, and the local manager 10 or more shares of the capital stock of the corporation."

Membership in the company is confined to members of the Farmers' Educational and Cooperative Union of America, Kentucky Division, whose annual membership dues are paid. Each member is entitled to one vote and only one.

It is expected that the \$80,000 of common stock and the \$20,000 of preferred stock authorized will be fully subscribed by December 1. The first president of the company is John U. Field, and the secretary-treasurer, E. L. Harrison.

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FARMERS BUY HEAVILY OF FERTILIZER.

During the first six months of 1923 business to the amount of \$90,389 was transacted by the Agricultural Corporation of Maryland, Baltimore, Md. The principal items making up the total were, fertilizer, \$48,100; binder twine, \$17,400; grass seed, \$10,100; tires, \$5,200; lime, \$3,300; feed, \$2,300; spray material, \$1,600. The orders for the various commodities desired by the farmers are forwarded to the corporation through 167 purchasing agents.

GROWERS' ASSOCIATION EXPECTS TO MARKET SIXTY-THREE PER CENT OF CROP.

Members to the number of 5200 were reported by the Georgia Peanut Growers Cooperative Association, Albany, Ga., under date of July 28. These members, who control 95,000 acres of growing peanuts, had signed contracts whereby they agree to sell to the association and the association agrees to buy all the peanuts produced by them during the years 1923 to 1927 inclusive. The growers are located in 56 of the counties of southern and central Georgia and control 63% of the peanut acreage of the state.

The state-wide association is being supplemented by county and community locals. The county locals will be made up of delegates from the community locals and will meet at the courthouses. Community locals are to be organized wherever there are ten or more members. It is the function of the locals to hold meetings at least once a month for the purpose of discussing matters of vital importance. These locals will furnish the medium of contact between the membership and the state-wide marketing organization. Five counties have already been organized with county and community locals.

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ANNUAL BUTTER SALES AMOUNT TO \$35,000,000.

Because of increased volume of business the operating charge of the Minnesota Cooperative Creameries Association, St. Paul, Minn., is to be reduced from three-eighths to one-quarter of a cent a pound on the butter manufactured by the 425 member creameries. The annual butter sales of this organization now amount to over \$35,000,000. A former marketing specialist in the United States Department of Agriculture has been employed to direct the butter sales department of the Association. The average monthly prices paid by Minnesota Cooperative Creameries Association for butter fat for the first six months of 1923 were, January, 53.5¢; February, 53¢; March, 52.5¢; April, 47.3¢; May, 42.1¢; June 41¢.

A patronage dividend of about \$40,000 is soon to be paid to the 530 creameries purchasing machines, equipment and supplies from the association's supply department during the first eight months of 1923. Owing to the large volume of business this department was operated at an expense of only 3 1/2% of sales.

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TWO THOUSAND POTATO GROWERS MARKETING COLLECTIVELY.

Already over 300 carloads of potatoes of the early varieties have been handled by the Colorado Potato Growers' Exchange, Denver, Colo. As over 2,000 potato growers have signed the marketing contract the exchange expects to handle the larger part of the 1923 crop. Affiliated with the State Exchange are 20 incorporated locals each of which is a factor in the marketing of the output of the state.